

Monthly Report to IRG and USAID
MUNICIPAL HEATING REFORM JOINT DONOR-GOU TASK FORCE
July 2008

Work Accomplished

- Tom Secrest traveled to Ukraine to meet with the Ministry of Residential and Communal Services and ARENA-ECO to discuss the role of a Secretariat in supporting the Task Force. The Ministry welcomed the creation of a Secretariat and offered to provide a letter of support. During this time, Tom prepared a draft of the Secretariat document and a revision to the Task Force Charter.
- Battelle prepared a Concept of the Strategy.
- ARENA-ECO prepared recommendations on methods to be used by the Task Force for obtaining input from non-GOU stakeholders to inform Ukrainian citizens about its (the Task Force) work and reform progress.
- ARENA-ECO prepared translations of the documents from the June Task Force meeting, which included the role, functions, and membership of the Task Force, an extract of the meeting minutes describing operating principles, and the role and responsibilities of the three Work Groups.
- Meredydd Evans participated in a video conference with World Bank staff and USAID staff in Washington, DC and in Kiev to discuss the inclusion of retrofit ‘subsidies’ in the social safety net pilot programs. It was agreed to coordinate the World Bank effort administered through the Ministry of Labor and Social Protection and the USAID/GOU municipal heating reform efforts to include ‘subsidies’ in the social safety net pilot programs and to move the government away, from support for housing and utilities and redirect the money to support of the poorest on an as needs basis.

Highlights of Results in the Reform Process

- The Energy Efficiency in Residential and Public Buildings Work Group held its first meeting. Items discussed were the legislative framework needed to promote energy savings in residential heat consumption, the role of pilot projects in residential and public sector buildings and the need for lessons learned information from projects that have been accomplished, and the types of public communication that would be most effective in influencing consumers to adopt energy efficiency practices. Work Group members were asked to submit documentations and information regarding other demonstrations and full scale projects that had been implemented.
- The Regional and State Programs for Rehabilitation of the Heating Sector Work Group held its first meeting. The discussion focused on the organizational structures, roles, and responsibilities for state and regional entities for most effectively structuring and carrying out the municipal heating reforms. Work Group members were asked to provide information and suggestions for this topic by the next meeting.

- The Ministry of Labor and Social Protection is making progress on developing a new approach to the social safety net to better concentrate the aid on the poorest by moving away from consumption-based assistance to means-tested assistance.

Work Planned for August 2008

- Finalize and translate the Secretariat and Task Force Charter documents, and deliver the documents to the Ministry of Residential and Communal Services.
- Continue reform strategy discussions with the GOU.
- Respond to specific GOU requests on information regarding similar reforms elsewhere.
- Coordinate preparation of draft concept of the strategy for GOU implementation to outline the major issues and sections that the strategy might cover.

Deliverables Completed

- Revision to the Charter (Battelle).
- Draft Secretariat document (Battelle).
- Draft Concept of Strategy document (Battelle).
- Draft recommendations on methods to be used by the Task Force for obtaining input from non-GOU stakeholders (ARENA-ECO).

Difficulties Encountered and Remedial Actions

- The organizational issue associated with the first Task Force occurred, in part, because of the short time period to deliver the scope of reforms to the Cabinet of Ministers (September 1), and, in part, due to staffing levels and commitments in the Ministry of Housing and Communal Services. This issue will largely be rectified with the creation of a Secretariat.
- The stop work in June and the lateness in receiving an additional tranche of funding in July slowed work activities and resulted in last minute trip arrangements for Tom Secrest.